

**STAFF MEETING MINUTES
LANCASTER COUNTY BOARD OF COMMISSIONERS
COUNTY-CITY BUILDING
ROOM 113
THURSDAY, AUGUST 22, 2002
8:15 A.M.**

Commissioners Present: Bob Workman, Chair
Bernie Heier, Vice Chair
Kathy Campbell
Larry Hudkins
Ray Stevens

Others Present: Kerry Eagan, Chief Administrative Officer
Gwen Thorpe, Deputy Chief Administrative Officer
Dave Johnson, Deputy County Attorney
Bruce Medcalf, County Clerk
Trish Owen, Deputy County Clerk
Ann Taylor, County Clerk's Office

The Staff Meeting was called to order at 8:16 a.m.

AGENDA ITEM

1 APPROVAL OF STAFF MEETING MINUTES OF TUESDAY, AUGUST 20, 2002

Item held.

2 ADDITIONS TO THE AGENDA

A. Dot Com Directory

MOTION: Hudkins moved and Campbell seconded approval of the addition to the agenda. Hudkins, Campbell, Heier, Stevens and Workman voted aye. Motion carried.

ADDITIONS TO THE AGENDA

A. Dot Com Directory

The Board declined participation in the Lincoln Journal-Star Newspaper's dot com directory.

3 COMMISSIONER MEETING REPORTS

A. Families First & Foremost (F³) Conveners - Heier

Heier said he was unable to attend the meeting.

Stevens reported on his attendance at a Finance Committee meeting, noting there was discussion of moving Families First & Foremost (F³) to Region V in the future.

- B. Lincoln Independent Business Association (LIBA) Budget Monitoring Committee - Hudkins, Stevens

Hudkins and Stevens reported on budget discussion and said there were no concrete suggestions on how the County should address the budget shortfall.

- C. Floodplain Task Force - Heier

Heier said he was unable to attend the meeting.

4 BUDGET WORK SESSION - Dave Kroeker, Budget and Fiscal Officer

Dave Kroeker, Budget and Fiscal Officer, reviewed the following (Exhibit A):

- * FY02 Tax & Levy Information on Lancaster County Fire Districts as of 8/21/01 Using Certified Values
- * FY03 Tax & Levy Information on Lancaster County Fire Districts as of 8/21/02 Using Certified Values
- * Lancaster County Allocation of Levy 2001-02 (Actual Values)
- * Lancaster County Allocation of Levy 2002-03 (Certified Values - Excess to Railroad Transportation Safety District (RTSD))
- * Lancaster County Allocation of Levy 2002-03 (Certified Values - Excess to Fire Districts)
- * Lancaster County, FY03 Budget Summary County Rural Library Fund

MOTION: Hudkins moved and Heier seconded to allow the maximum allocation for the rural fire districts. Hudkins, Campbell, Heier, Workman and Stevens voted aye. Motion carried.

Kroeker reviewed a list of possible budget changes (Exhibit B).

Hudkins said he would prefer that the proceeds of the sale of real estate be placed in the Building Fund, rather than the General Fund.

Kroeker said there is no levy this year for the Building Fund.

MOTION: Hudkins moved and Campbell seconded to allocate proceeds of the sale of real estate to the Lancaster County Building Fund. Stevens, Heier, Campbell, Hudkins and Workman voted aye. Motion carried.

Workman reported that the American Federation of State, County & Municipal Employees (AFSCME) rejected the Board's latest request for elimination of Post Employment Health Plan (PEHP) benefits for one year.

Kroeker reviewed Budget Solution 3A (Exhibit C):

- * Eliminate PEHP benefits for one-half year for Sheriff's Deputies (\$16,791)
- * Reduce salary increase from 5% to 3% for MSS Group (Appointed Department Heads, Attorneys, Bailiffs, Psychiatrists, Sheriff's Captains) (\$109,146) and eliminate PEHP benefits for one year (\$51,458)
- * Reduce salary increase from 5% to 3% for Unrepresented Class (\$205,907) and eliminate PEHP benefits for one year (\$165,750)

Workman said the reductions, which total \$549,052, will reduce the budget shortfall to \$1.3 million, which equates to \$0.01 of tax.

MOTION: Campbell moved and Hudkins seconded to proceed with Budget Solution 3A.

In response to a question from Georgia Glass, Personnel Director, Campbell said the \$109,146 salary increase reduction for the MSS group is an aggregate amount and said further decisions will need to be made on the allocation.

Workman noted that state statutes prohibit a reduction in the elected officials' salaries and asked whether their PEHP benefits could be eliminated.

Diane Staab, Deputy County Attorney, agreed to research the matter.

The maker and seconder agreed to amend their motion to accept exploration of whether PEHP benefits for the elected officials could be eliminated in Budget Solution 3A.

Stevens said he opposes a tax increase and believes other things could be done within the budget. He said he would favor a plan that would reduce expenses further, including a reduction in the work force.

Heier said he is concerned that there may be a more severe budget shortfall in the coming year.

ON CALL: Workman, Heier, Campbell and Hudkins voted aye. Stevens voted no. Motion carried.

Campbell recommended that the Board: 1) Have a reduction in force plan in place by January, 2003; 2) Meet with the Budget Monitoring Committee and ask for their recommendations; and 3) Propose a study of Nebraska's ability to pay for labor versus comparability.

Campbell noted that the Board had placed a request to change the pay grades of certain classifications on pending until it had worked through the budget and recommended that the Board take action at the August 27, 2002 Board of Commissioners Meeting to table the item until mid-year.

5 SELF EMPLOYMENT LOAN FUND (SELF) OF LINCOLN - Rick Wallace, Director; Troy Gagner, Economic Development Coordinator

Rick Wallace, Self Employment Loan Fund (SELF) Director, gave an overview of the micro-lending program and explained how SELF assists with business loans, business training, networking opportunities and one-on-one technical assistance (Exhibit D).

In response to a question from Heier, Wallace explained that peer group model programs such as Rural Enterprise Assistance Program (REAP) are more costly to administer.

In response to a question from Heier, Wallace said the program's interest rate is around 9% (4% above its borrowing rate) and said this rate is competitive with commercial lenders.

Troy Gagner, Economic Development Coordinator, noted there is a 3% charge-off rate, which he said is extremely low for this type of program.

Wallace noted that SELF was named one of the top ten micro-enterprise programs in the country in 1995 because of its model.

In response to a question from Heier, Wallace said agriculture related businesses may participate in SELF, noting the "Tilling the Soil" Program.

Hudkins asked how defaults are addressed.

Wallace explained that businesses are given an opportunity to correct their loan but said collection and prosecution will be pursued if accountability is lacking.

In response to a question from Campbell, Wallace said 10% of the loan fund is typically charged for administration costs.

Gagner explained that the City uses block grant funds to pay for administration and said the loans come from bank funds. He said the City also has an ongoing guarantee to the bank for a portion of the outstanding balance. Gagner said a similar arrangement could be set up to operate the program in the County, noting the County currently has \$90,000 in its economic development fund.

The Board asked that a proposal for County participation be developed and brought back to the Board.

6 ECONOMIC DEVELOPMENT UPDATE - Darl Naumann, Aide to the Mayor for Economic Development

Darl Naumann, Aide to the Mayor for Economic Development, reviewed the following (Exhibits E-G):

- * Project by Industry, July 15, 2001
- * Project by Industry, August 19, 2002
- * Investment & Jobs by Industry, August 19, 2002

Naumann said he has been working with the County's other communities, particularly the City of Waverly, noting six of the forty-five economic development projects are outside of the city limits.

7 ADDRESS COMMITTEE RECOMMENDATIONS FOR AMENDING COUNTY AND CITY ZONING ORDINANCES - Mike DeKalb, Interim Planning Director

Mike DeKalb, Interim Planning Director, reviewed Rural Address Committee issues (Exhibit H).

Eagan said there are a number of 20 acre parcels in the County that may not qualify in terms of minimum lot width, setbacks and frontage if zoning is applied.

Dave Johnson, Deputy County Attorney, said the parcels could be "grandfathered". He recommended proceeding with a resolution to require farmstead residences to be subject to zoning regulations and permit requirements, noting clarification is needed in the zoning regulations to make the distinction between dwellings and accessory farm buildings.

In response to a question from Heier, DeKalb said he believes build-through design is a separate issue.

MOTION: Campbell moved and Heier seconded to authorize the County Attorney's Office to prepare a resolution to apply zoning regulations and permits to farm dwellings and to authorize the County Attorney's Office and Planning Department to bring back amendments to the County Zoning Resolution to implement the following, as applicable to addressing of a dwelling:

- 1) Require building permits on all dwellings, regardless of lot size, and to apply zoning setbacks, frontage and lot width to all dwellings, regardless of size
- 2) Request the City to amend Chapter 18.04 of the Lincoln Municipal Code to require permits on parcels over 20 acres
- 3) Require addresses in the County, mirroring Chapter 14.24 of the Lincoln Municipal Code

Campbell, Hudkins, Heier, Workman and Stevens voted aye. Motion carried.

8 SUPPORT LETTER FOR SALINE WETLANDS RESTORATION GRANT FROM DEPARTMENT OF ENVIRONMENTAL QUALITY - Terry Genrich, Parks & Recreation Natural Resources Manager

Terry Genrich, Parks & Recreation Natural Resources Manager, requested a letter of support for an application for a Nebraska Department of Environmental Quality grant to fund restoration of saline wetlands and to use funds from a grant received from the Nebraska Environmental Trust (NET) for acquisition and restoration of saline wetlands as match for the grant.

MOTION: Hudkins moved and Stevens seconded to authorize a letter of support, with signature by the Board. Stevens, Workman, Heier, Campbell and Hudkins voted aye. Motion carried.

9 CONTRACT WITH NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) TO PROVIDE WRAPAROUND SERVICES TO STATE WARDS - Sheryl Schrepf, Juvenile Mental Health Director

Sheryl Schrepf, Juvenile Mental Health Director, said the Nebraska Department of Health & Human Services (HHS) would like to pursue an Integrated Care Coordination Unit (ICCU) contract with Region V but is concerned with the stability of Region V's leadership. HHS would like to continue to work with Families First & Foremost (F³) on the project and a transitional contract with a term of at least six months is proposed. She said the County Attorney's Office has requested changes in the State's standard contract language which has stalled negotiations.

Campbell said the primary issues are:

- 1) Will F³ be able to provide care coordination services at the case rate?
- 2) What will happen to any savings realized under the contract?

Schrepf said the contract provides for an operating and cash reserves and additional savings are at the discretion of the HHS Director. She said the intent is to use savings to serve additional families. Schrepf said the State currently spends \$5.5 million for placement of the 191 youth that will be served by the contract and said the proposed rate of \$2,360 per youth, per month, equates to 95% of that amount.

Dave Johnson, Deputy County Attorney, noted the following contract language:

- * *The provider agrees to provide a quarterly report to HHS that includes an analysis of all cost savings. The provider further agrees to develop a risk pool. The amount in the risk pool shall not exceed ten percent of the annual agreement amount. The amount in the operating reserve shall not exceed one month's operating expenses.*
- * *In the event that the agreement is terminated or is not renewed, the provider agrees to return all monies held in reserve to HHS. The provider further agrees to return all other monies accrued from cost savings to HHS to be reinvested in services to additional youth and families.*

Johnson expressed concern that the County will be subsidizing a state mandated function if expenses exceed the contract amount.

Schrepf said she believes the County could access funds in the operating reserve if that occurs.

Johnson said his office wants to insure that County resources are not used to support the agreement, citing public counsel as an example.

Kit Boesch, Human Services Administrator, appeared and said the discussion has been based on speculation and said "Don't stop the whole process for 191 families because of something that might happen." She said if it becomes evident that F³ can't provide the services for the contract amount, the County can terminate the contract.

Eagan said the County sought a partnership with the State because it was being "stuck" with pre-adjudication and post-adjudication costs. He said the contract is in the best interest of both parties and suggested a face-to-face meeting to work out the contract issues. He also asked whether F³ could cover any overage.

Johnson said the State would have to agree to use of the F³ grant funds.

Campbell noted that the Board has gone to Governor Johanns and Ron Ross, HHS Director and indicated a willingness "to do business differently" and said she is willing to enter into a contract, provided there is a provision for termination if there is an overage.

Mike Thew, Chief Deputy County Attorney, appeared and said the State is "obligated to pay us what it costs us to provide the service" but said it is unwilling to put that guarantee in the contract.

Schrepf said the State will not contract with the County unless the County agrees to the funding mechanism.

MOTION: Campbell moved and Heier seconded to:

- 1) Authorize Kerry Eagan, Chief Administrative Officer; Dave Johnson, Deputy County Attorney; and Sheryl Schrepf, Juvenile Mental Health Director, to meet with representatives of the State to try to resolve the legal issues
- 2) Ask for the ability to use the reserve funds if there is overage
- 3) Indicate that the County will sign the contract if the only issue is the financial issue

Campbell, Heier, Workman, Stevens and Hudkins voted aye. Motion carried.

10 CLINICIAN POSITION - Dean Settle, Community Mental Health Center Director; Denise Bulling, Special Projects Coordinator

Dean Settle, Community Mental Health Center Director, requested authorization to make a temporary position a permanent clinical position (see agenda packet).

MOTION: Hudkins moved and Stevens seconded to approve the request.

In response to a question from Stevens, Denise Bulling, Special Projects Coordinator, said the position is built into the emergency services budget and is an essential function.

ON CALL: Stevens, Workman, Heier, Campbell and Hudkins voted aye. Motion carried.

Settle reported that a reduction in psychiatrist hours will go into force on September 5, 2002.

11 ACTION ITEMS

- A. Southeast District Nebraska Association of County Officials (NACO) Meeting (September 19, 2002)

Hudkins, Heier, Workman and Stevens said they plan to attend the meeting. Board consensus was to cancel the September 19, 2002 Staff Meeting and to hold a Staff Meeting on September 17, 2002 at 9 a.m, instead.

- B. Authorization to Submit a Substance Abuse and Mental Health Services Administration (SAMHSA) Grant on Behalf of Friendship Home/St. Monica's (No County Match)

MOTION: Heier moved and Campbell seconded approval. Hudkins, Campbell, Heier, Workman and Stevens voted aye. Motion carried.

- C. Request from Russ Shultz, Noxious Weed Control Authority Superintendent, to Change Department Logo to Weed Control Authority

MOTION: Heier moved and Campbell seconded approval of the request and to expend funds to change the name on departmental vehicles.

Campbell suggested that the department investigate use of magnetic signs.

ON CALL: Hudkins, Campbell, Heier, Workman and Stevens voted aye.

- D. Memorandum to Elected Officials and Directors Regarding Affirmative Action Program

MOTION: Stevens moved and Campbell seconded to authorize the Chair to sign a letter to elected officials and department heads relative to affirmative action. Stevens, Workman, Heier, Campbell and Hudkins voted aye. Motion carried.

- E. Authorization to Accept Local Law Enforcement Block Grant Award (County Match is \$10,696)

MOTION: Heier moved and Campbell seconded approval. Hudkins, Stevens, Heier, Campbell and Workman voted aye. Motion carried.

- F. Letter to Region V Regarding Termination of Jill Rubottom, Program Administrator for the Region V Mental Health, Alcoholism & Drug Abuse Program

Heier said he has been informed that Jill Rubottom, Program Administrator for the Region V Mental Health, Alcoholism & Drug Abuse Program, has not resigned her position or been terminated. He said he is disappointed in the lack of follow through on action taken at the August 12, 2002 Region V Governing Board Meeting to call for her resignation or termination (Exhibit J).

Kit Boesch, Human Services Administrator, appeared and said she has received calls of concern from providers.

In response to a question from Campbell, Heier said the Region V Governing Board will not meet again until September 9, 2002.

MOTION: Campbell moved and Stevens seconded to request an emergency meeting of the Region V Governing Board to respond to action taken on August 12, 2002. Stevens, Workman, Heier, Campbell and Hudkins voted aye. Motion carried.

12 ADMINISTRATIVE OFFICER REPORT

A. Keno Prevention Fund Recommendations

The Board scheduled action on the August 27, 2002 County Board of Commissioners Meeting agenda and asked that Kit Boesch, Human Services Administrator, provide an explanation of the funding recommendations at that meeting.

B. Budget Freeze Update

Eagan reviewed a requests for exemption from the freeze on certain expenditures from 1) County Clerk (Local Conference); 2) Election Commissioner (Local Conference); and 3) County Engineer (Equipment Manual, Capital Expenditures Related to the Road & Bridge Fund and Annual Software Support Contract) (Exhibit I).

MOTION: Campbell moved and Stevens seconded approval of the requests. Hudkins, Heier, Campbell, Workman and Stevens voted aye. Motion carried.

Eagan noted a request from Families First & Foremost (F³) to send one additional person to a grant related conference in Milwaukee, Wisconsin.

MOTION: Heier moved and Stevens seconded approval. Stevens, Workman, Heier and Campbell voted aye. Hudkins voted no. Motion carried.

C. Budget Freeze Memorandum Guidelines

Board consensus was to send the memorandum to departments and to indicate that the Board is developing a policy regarding expenses not impacted by the freeze.

D. Appointment of John Ludden to the Lincoln Area Agency on Aging Advisory Council

The Board scheduled the appointment on the August 27, 2002 County Board of Commissioners Meeting agenda.

E. Correspondence Regarding Ford Crown Victoria Defects

Eagan said the Sheriff's Office will monitor the situation.

F. Records Management Training for Cori Beattie, County Board
Administrative Secretary

Board consensus was to place the item on a list for review at mid-year.

G. County Board Staffing

Gwen Thorpe, Deputy Chief Administrative Officer, said she is exploring staffing of the temporary Clerk Typist II position through the Operation ABLE Program.

H. Hotel Tax Meeting

Eagan said the hotels do not want the 2% tax unless it is applied to a convention center that will bring in more lodging business. He said Senator Beutler will draft legislation that will include expansion of the Visitors Promotion Advisory Board and additional hotel representation on that board.

13 ADJOURNMENT

MOTION: Heier moved and Sevens seconded to adjourn the meeting at 11:59 a.m. Stevens, Workman, Heier, Campbell and Hudkins voted aye. Motion carried.

Bruce Medcalf
County Clerk